



Central America: Embracing CAFTA-DR

"...I believe that CAFTA-DR can spread opportunity, provide jobs, and help lift people out of poverty." --President of the United States, George W. Bush

The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) entered into force just 10-14 months ago in four of our Central American partners. Initial signs of success show that, for many small and medium enterprises (SME), cooperatives, and associations of small agricultural producers, the CAFTA-DR has enabled them to expand and improve operations. The CAFTA-DR's high standard rules and lower tariffs coupled with support from U.S. trade assistance programs are improving the lives of thousands of people throughout Central America.

Nicaragua

Nicaexport, an export promotion agency whose aim is to reduce poverty, develop the economy and improve the social situation in Nicaragua, has found that the CAFTA-DR helps Nicaraguan enterprises build their capacity to export. At a recent trade mission in Miami, Nicaexport attracted \$22 million in new purchases from U.S. buyers, \$14.3 million of which was committed to SMEs.

"Those who say the CAFTA-DR is only for big business don't know the reality - the CAFTA-DR is benefiting the SMEs on an even bigger level." --Ivan Saballos Patinos, Nicaexport

Guatemala

Association of Small Agricultural Producers of Comalapa (APAC-PNT) is an association of 80 agricultural producers in the mountains that collectively packages its products (snow peas, sugar peas, baby squashes, blackberries, etc.) to sell to domestic and foreign markets. The Association is committed to good agricultural practices, as required by CAFTA rules and other international markets. Tiny farms are expanding sales by raising product standards.

"We have increased our market presence, improved the quality of our products, and raised our production standards to strengthen our competitive capacity and to improve our participation in the CAFTA-DR." --APAC-PNT

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For more information, visit the Department of State's FTAs webpage located under Bilateral Trade Affairs at www.state.gov/e/eeb/tpp/c22883.htm

El Salvador

Pahnas, a tamale and pupusa exporting company, has tripled its sales from \$200,000 in 2004 to \$800,000 in 2006 by taking advantage of new duty-free access to U.S. markets through the CAFTA-DR and USAID programs to help build export capacity, improve sanitary and phytosanitary standards and product quality. Pahnas continues to create jobs for local agricultural producers as demand from U.S. consumers increases.

"USAID programs significantly helped expand our export sales. We are currently selling to 17 supermarkets in Miami, and the CAFTA-DR has made this possible." --Rodolfo Papini, Pahnas

Honduras

Seaboard Honduras, a shipping company, and **UPS Honduras**, an air-transporter of shipments, have noticed a large surge in exports to U.S. markets since the entry into force of the CAFTA-DR. One key to export success is to find niche markets with specific demand, such as Central American communities in the United States.

"Exports in melon, tilapia, pineapple, okra, squash, and bell peppers have notably increased since the CAFTA-DR. Honduran agricultural producers are now looking for new export opportunities in CAFTA-DR, such as mangos and jalapenos." --Daisy Pastor, Seaboard Honduras

"In 2003, UPS Honduras had 11 Honduran employees; now we have 29. The CAFTA-DR has greatly increased the volume of shipments between Honduras and the U.S." --Oscar Mendez, UPS

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